

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 7052**

**BILL NUMBER:** HB 1191

**NOTE PREPARED:** Apr 13, 2021

**BILL AMENDED:** Apr 12, 2021

**SUBJECT:** Local Utility and Energy Matters.

**FIRST AUTHOR:** Rep. Pressel

**FIRST SPONSOR:** Sen. Koch

**BILL STATUS:** As Passed Senate

**FUNDS AFFECTED:**    **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** The bill provides that a public transportation corporation managing a public transportation project in Marion County is liable for the costs incurred by a public utility after December 31, 2017, to relocate utility infrastructure for the construction of any aspect of the project. It requires a public transportation corporation to reimburse, before January 1, 2022, a public utility for expenses incurred by the public utility after December 31, 2017, to relocate utility infrastructure for the construction of the Red Line bus rapid transit line. The bill requires the Indianapolis Public Transportation Corporation to pay for all utilities and sewer and water infrastructure associated with certain transportation projects before any utility ratepayers are required to do so.

The bill provides that a county executive or the legislative body of a city or town does not have the power to prohibit: (1) a public utility or department of public utilities from furnishing utility service to a utility customer; or (2) a customer of a public utility or department of public utilities from purchasing, using, or connecting or reconnecting to a utility service; based on the energy source of the utility service.

It provides that, except for purposes of compliance with specified building and fire safety laws, a local unit does not have the power to:

(1) require that a particular component, design, or type of material be used in the construction of a building because of the energy saving or energy producing qualities of the component, design, or material;

(2) prohibit the use of a particular component, design, or type of material in the construction of a building because the component, design, or material does not meet an energy saving standard;

(3) require that a building or structure be retrofitted with a particular device or type of material because of the energy saving or energy producing qualities of the device or material;

(4) prohibit or restrict the purchase or use of vehicles based upon the type of energy used; or

(5) prohibit the sale, installation, or use of: (A) natural gas powered: (i) home heating equipment; (ii) home appliances; or (iii) outdoor heating appliances, torches, lamps, or other decorative features; or (B) outdoor grills and stoves.

The bill specifies that: (1) this prohibition does not apply with respect to requirements included in procurement documents used to procure goods and services, including the construction or design of buildings, to be owned or used by a local unit; and (2) a local unit may adopt bid specifications for a public works project that include energy savings or energy production provisions with respect to the components, design, or materials for the specific project.

**Effective Date:** January 1, 2021 (retroactive); July 1, 2021.

**Explanation of State Expenditures:** *Utility Relocation Costs:* The bill specifies that IndyGo would be responsible for any utility relocation costs associated with a public transportation project that occur after June 30, 2021. By specifying that IndyGo is responsible for these costs, the bill could impact the workload of the Indiana Utility Regulatory Commission to review rate adjustments submitted by utilities impacted by public transportation projects in the city.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** To the extent that a local unit must change existing rules or ordinances to comply with the provisions of the bill, that unit could experience increased costs. However, any fiscal impact from such administrative changes is likely to be minimal.

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Utility Regulatory Commission.

**Local Agencies Affected:** Marion County; Counties, cities, and towns.

**Information Sources:**

**Fiscal Analyst:** Olivia Smith, 317-232-9869; Bill Brumbach, 317-232-9559.